

25X1

Approved For Release 2002/06/05 : CIA-RDP79-00928A000100030002-0

Next 1 Page(s) In Document Exempt

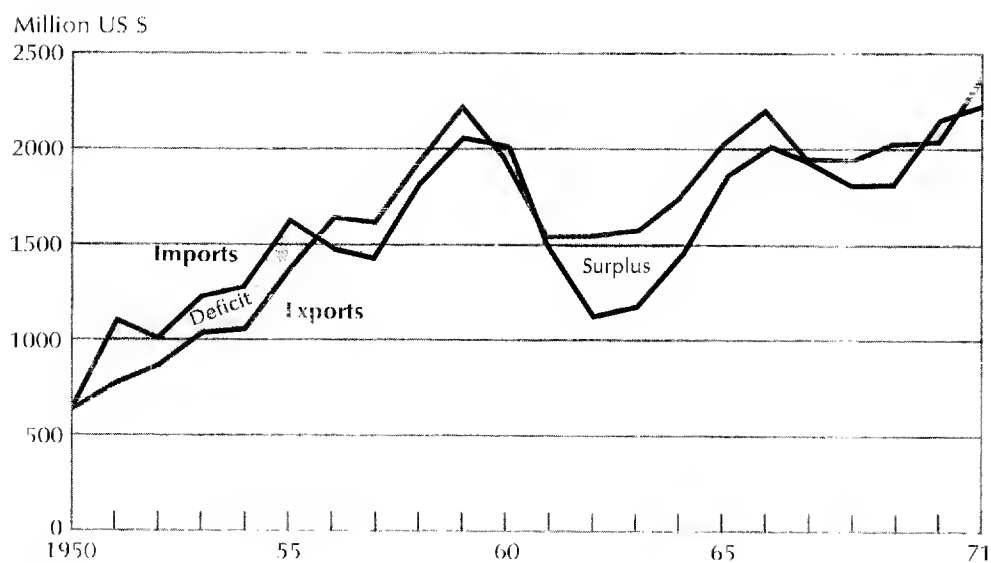
Approved For Release 2002/06/05 : CIA-RDP79-00928A000100030002-0

To Recipients of A 72-38, *People's Republic of China: International Trade Handbook*, December 1972.

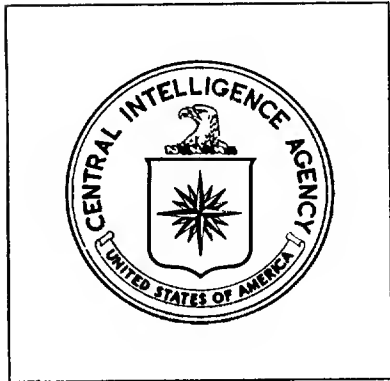
Please substitute the chart below, *Figure 2, China: Balance of Trade* on page 3 of the above publication.

China: Balance of Trade

Figure 2



514823 11-72



RESEARCH AID

PEOPLE'S REPUBLIC OF CHINA: INTERNATIONAL TRADE HANDBOOK

A 72-38
December 1972

ARCHIVAL RECORD
PLEASE RETURN TO
AGENCY ARCHIVES, STAT

408 77-723 DOY /
2 07 815

This publication is prepared for the use of U. S. Government officials. The format, coverage, and contents of the publication are designed to meet the specific requirements of governmental users. All inquiries concerning this document from non-U. S. Government users are to be addressed to:

Document Expediting (DOCEX) Project
Exchange and Gift Division
Library of Congress
Washington, D.C. 20540

RESEARCH AID

PEOPLE'S REPUBLIC OF CHINA: INTERNATIONAL TRADE HANDBOOK

A 72-38

December 1972

FOREWORD

This handbook on the international trade of the People's Republic of China (PRC) was prepared as a research aid. It contains the following information: a short text setting the trade of the PRC in perspective, assessing PRC trade during 1971, and giving a preliminary estimate of the likely level of China's international trade during 1972; Appendix A, comprising Tables 2 through 12, which cover trade trends, trading partners, and commodity composition; Appendix B, listing Chinese foreign trade corporations; Appendix C, which is a methodological supplement; and Appendix D, a list of selected books and periodicals for further reading on the international trade relations of the PRC.

The statistical data for this handbook are based on the official statistics, where available, of the trading partners of the PRC. Statistics for PRC trade with the non-Communist developed countries and with Latin America are essentially complete, but statistics for its trade with Africa, the Middle East, and Asia are fragmentary. Statistics on PRC trade with the USSR and most East European countries are available. Statistics are not available for other Communist countries, and estimates for these countries are based on trade agreements and other trade indicators. Non-Communist trade statistics have been adjusted to place Chinese trade on an export f.o.b. and import c.i.f. basis.* In addition, adjustments have been made for double counting, such as Chinese re-exports through Hong Kong, and undercounting, such as Chinese grain purchases delivered to other countries.

The grouping of non-Communist countries is as follows: (1) **developed countries**, which combines Japan, Australia, and New Zealand in East Asia and the Pacific; all countries except Spain and Portugal in Western Europe; Canada and the United States in North America; and South Africa; (2) **less developed countries**, which combines all other East Asian and Pacific countries; all Middle Eastern and South Asian countries; all countries in Latin America except Cuba; and all countries in Africa except South Africa; and (3) **Hong Kong and Macao**.

*The value of imports, which are shown on a c.i.f. basis, is the value of goods delivered to Chinese docks, including insurance and freight charges. The value of exports, which are shown on an f.o.b. basis, is the value of goods loaded on board ship in Chinese ports.

CONTENTS

	<i>Page</i>
Trade in Perspective.....	1
Historical Trends.....	1
Patterns of Trade, 1971.....	3
Outlook for 1972.....	4

Appendixes

Appendix A. Statistical Tables.....	9
Appendix B. China: Foreign Trade Corporations and Their Areas of Responsibility.....	27
Appendix C. Methodological Supplement: Merchandise Trade of China.....	29
Appendix D. Selected Readings.....	33

Tables

1. China: Net Effect of the Currency Realignment on the Dollar Estimates of 1970 Trade.....	6
2. China: Balance of Trade, 1950-1971.....	9
3. China: Trade, by Area and Country, 1966-1971.....	11
4. China: Trade, by Area, 1966-1971.....	13
5. China: Major Trading Partners, by Rank, 1966-1971.....	14
6. China: Commodity Composition of Trade, 1966-1971.....	15
7. China: Commodity Composition of Exports, 1966-1971.....	17
8. China: Commodity Composition of Imports, 1966-1971.....	19
9. China: Commodity Composition of Trade with Non-Communist Countries, 1971.....	21
10. China: Commodity Composition of Trade with Non-Communist Countries, 1970.....	23
11. China: Imports of Machinery, Equipment, and Scientific Instruments from the USSR and Non-Communist Countries, 1966-1971.....	25
12. China: Imports of Grain and Chemical Fertilizer, 1966-1971.....	26

Charts

1. China: Trade Trends, 1950-71.....	2
2. China: Balance of Trade, 1950-71.....	3
3. China: Commodity Composition of Trade, 1971.....	4

People's Republic of China: International Trade Handbook, 1972

Trade in Perspective

1. International trade conducted by the People's Republic of China (PRC) during 1971 amounted to US\$4,660 million—\$2,405 million in exports and \$2,255 million in imports. These are all record levels and, in total, represent a 10% growth over 1970, which in turn was nearly 10% higher than the 1969 level. Total trade may be up another 10% during 1972 even after allowing for the effects of the 1971 currency revaluations. Viewed in the context of total international trade, Chinese exports during 1971 amounted to only 0.7% of world exports. In the same context, total world exports in 1971 were 27% higher than in 1969 while Chinese exports to the world over the same period were up 18%. Chinese imports during this period were up 23%.

2. Additional economic comparisons with other countries also help to place Chinese trade in proper international perspective. The following tabulation shows two key international trade percentage comparisons of the PRC with other selected countries for 1971.

	Total Trade as a Percent of Gross National Product	Monetary Reserves as a Percent of Imports
PRC.....	4	30-35
USSR.....	5	20-25
India.....	8	48
United States.....	9	27
Japan.....	18	78
France.....	25	39

Total trade of the PRC is a relatively low percentage of gross national product (GNP); the percentage is nearly the same as that of the USSR and about one-half that of the United States and India. This is not surprising, however, in view of its large holdings of natural resources, the large share of GNP accounted for by agricultural output, and the huge population which creates a vast market for China's own products but is hampered from purchasing imports by its low average income and the restrictive government controls.

3. China's international reserves are thought to be about \$700 million to \$800 million, small in comparison with many other countries but adequate for the size of its international trade, especially since China is void of any long-term debt. The PRC's reserves equal 30%-35% of imports, a higher percentage than that of the USSR and the United States but less than that of the other countries being compared.

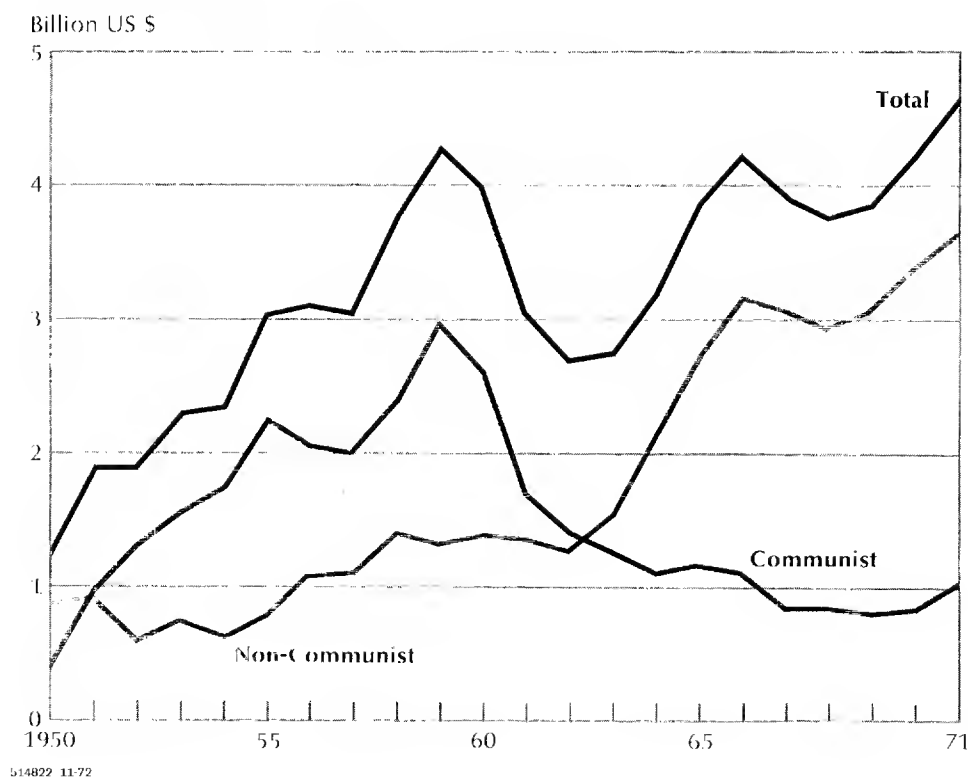
Historical Trends

4. China's foreign trade is an integral part of its centralized economy; consequently, its trends have followed the periods of economic and political

fluctuations. Economic restoration aided by the USSR and Eastern Europe and the attempt at rapid industrialization during the Great Leap Forward dominated the 1950s. Trade climbed rapidly to \$4.3 billion by 1959. The economic collapse following the Great Leap and the withdrawal of Soviet aid in 1960 caused trade to plummet to \$2.7 billion by 1962. By 1966, trade had recovered to nearly the 1959 peak level. But foreign trade was again disrupted in 1967-68, this time by the Great Proletarian Cultural Revolution. By 1969, trade had once again started to climb. Finally by 1971 it surpassed the 1959 peak, reaching nearly \$4.7 billion (see Figure 1).

China: Trade Trends

Figure 1

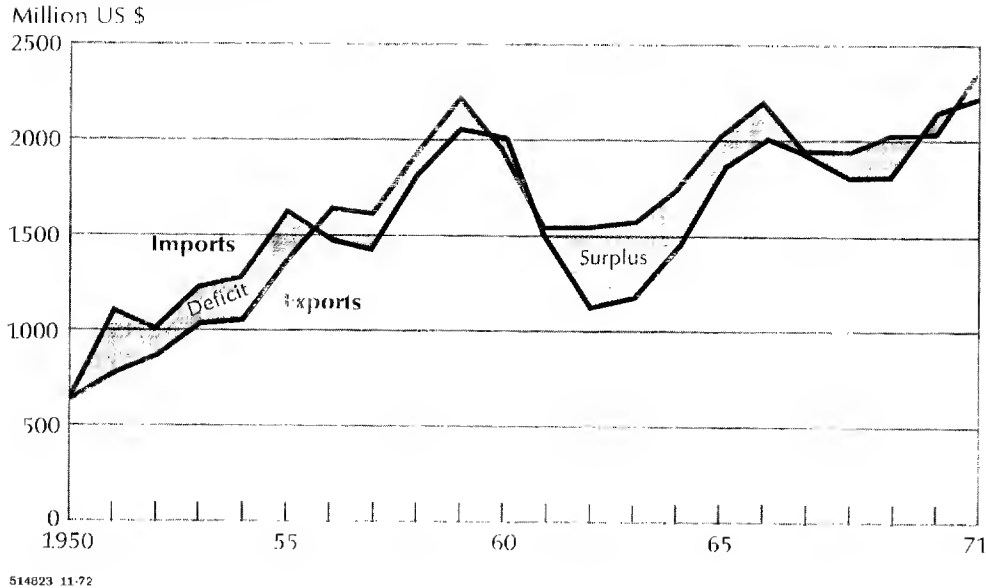


5. During this same historical time frame the bulk of China's trading shifted from being with the Communist countries to being with the non-Communist countries. Because of Mao's policy of "lean to one side" and the Korean war trade restrictions imposed by the Western nations, China's trade with other Communist countries during the 1950s averaged about two-thirds of its total. But the Sino-Soviet rift encouraged China to diversify its trade, shifting to the non-Communist countries. By 1966, trade with the Communists had fallen to about one-fourth of China's total and it has remained below this level since.

6. With the exception of 1951-55 and a few subsequent years, China has maintained a favorable balance of trade worldwide (see Figure 2). These balances are not, however, necessarily reflective of China's international financial position. Trade with the Communist countries is bilateral, and imbalances are generally settled with goods the following year or are matched by credits. A

China: Balance of Trade

Figure 2



trade imbalance with those countries represents a flow of resources and an opportunity cost but has little or no effect on Chinese reserves of gold and foreign exchange. Trade deficits with the non-Communist world are generally offset by the large remittances of foreign currency by overseas Chinese. In general, China's policy has been to maintain balanced trade and to incur no long-term debt.

Patterns of Trade, 1971

7. The international trade of the PRC offered few real surprises during 1971. As expected, efforts were directed toward obtaining a favorable balance of trade to offset the imbalance of 1970. Consequently imports increased by less than 4% while exports were pushed up by nearly 18% over 1970. Imports from the hard currency countries actually dropped slightly while exports expanded by \$255 million, resulting in an almost equal balance of trade with these countries during 1971.¹

8. Exports were higher during 1971 with most of China's trading partners. Imports, however, were mixed. They were up slightly from Japan; down from all major partners in Western Europe except France and Sweden; off from Australia, largely because of the reductions in wheat imports; but much higher with Canada, to which wheat purchases were shifted. The general reduction in imports of \$125 million from the developed non-Communist countries was offset by increased imports of \$120 million from Latin American and African nations. Part of this shift is due to the Chinese agreements to purchase nonferrous metals from the producing countries of Zambia, Peru, and Chile. Trade increased with the USSR by \$110 million and by \$55 million with Eastern Europe, but, in general, it remained balanced with these countries. Aid to Albania and North Vietnam generated most of the imbalance of trade with the Communist countries.

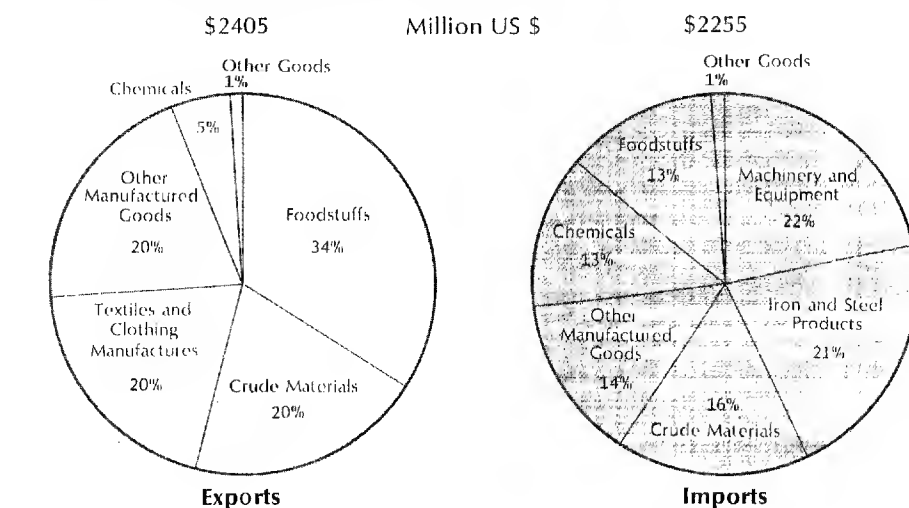
¹ For the details on trade in 1971, see the statistical tables in Appendix A.

9. In total, non-Communist trade slipped from 80% of China's total in 1970 to 78% in 1971. Trade with developed countries as a percent of trade with all non-Communist countries fell from 66% in 1970 to 61% during 1971. But despite the general shifting of Chinese trade among its trading partners, Japan, Hong Kong, and West Germany maintained their rank as the first, second, or third largest traders with China for the fifth straight year.

10. China mainly exports foodstuffs (meats, rice, fruits, and vegetables), crude materials, textiles, clothing, and light manufactures (see Figure 3). In

Figure 3

China: Commodity Composition of Trade, 1971



exchange it imports wheat, rubber, textile fibers, fertilizer, metal products, machinery, and transport equipment. The commodity composition of China's trade changes slowly and, as expected, during 1971 shifted only slightly from the 1970 distribution. Exports of food continued to move slowly upward while imports of food moved slowly downward as a percentage of the totals. Imports of wheat and nonferrous metals fell by a total of \$135 million during 1971 while imports of iron and steel and machinery and equipment increased by \$170 million. Purchases of iron and steel were up from Japan, Western Europe, and the Communist countries. Machinery and equipment from the non-Communist countries rose by about \$30 million, with higher deliveries from Western Europe more than offsetting a drop from Japan; imports of these goods also increased by some \$70 million from other Communist countries—\$38 million worth from the USSR alone.

Outlook for 1972

11. A survey was taken of the total trade with China during the first six months of 1972 for ten of China's major non-Communist trading partners, which together account for about one-half of China's total trade. The following tabulation compares the January-June 1972 trade with the same period in 1971 for these countries (converted to million US\$).

	January-June		
	Million US\$		Percentage Change 1972 over 1971
	1971	1972	
Japan.....	417	529	26.9
Hong Kong.....	200	237	18.5
West Germany.....	109	128	17.4
Italy.....	58	88	51.7
France.....	97	75	-22.7
United Kingdom.....	58	73	25.9
Singapore.....	68	70	2.9
Sweden.....	22	33	50.0
Netherlands.....	24	27	12.5
Switzerland.....	16	17	6.2
Total.....	1,069	1,277	19.5

12. The results of this survey cannot be projected uniformly to China's total 1972 trade. But other indicators suggest a general increase over 1971 of 15%-20%, to about \$5.5 billion. These indicators include:

- The Japanese-Chinese normalization efforts, the record level of Sino-Japanese deals concluded at the 1972 spring Canton fair, the recent signing of metals and fertilizer contracts, the new yen-yuan currency settlement agreements, and the steady stream of Japanese businessmen and bankers to Peking all suggest that Sino-Japanese trade will remain at a high level throughout 1972.
- The nature of the Chinese exports to Hong Kong, mainly food and consumer goods for the colony, along with the July devaluation of the Hong Kong dollar against the Chinese yuan suggests that the value of this market will remain stable and high throughout the year.
- During the first half of 1972, Chinese exports to France were up by 63%—from \$27 million to \$44 million—but imports were down from \$70 million to \$31 million. This imbalance and drop in trade should be overcome in the second half of 1972 with the expected delivery to China of some 40 French locomotives worth about \$35 million.
- In the second half of 1972, trade expansion with the rest of Western Europe on balance should not differ significantly from that in the first half.
- Trade with many of the other countries accounting for about 50% of China's trade is expected to be up significantly for the year, especially countries in Latin America and Africa, Canada, and the USSR. In total, because of the lesser effects of the currency adjustments on trade with most of these countries, the real increase will likely be higher, although the dollar value increase may be less than with the ten countries surveyed.

13. The real increase in China's trade in 1972 may be only about one-half the 15%-20% increase indicated by the dollar values. The increase in trade in terms of dollars includes the effects of the currency revaluations on the dollar estimates of China's trade as well as the real increase in the volume of goods exchanged. Although a precise measurement of the effect of the revaluation is not possible, a comparison of worldwide 1970 Chinese trade ² in old and new dollars

² Data for 1970 were used because 1970 is the latest complete year for which exchange rates remained stable.

gives some idea of the net effect of the currency realignment on the dollar estimates of China's trade (see Table 1). The dollar figure of 1970 trade at December 1971 exchange rates is 10% higher than under the old rates. This same methodology was applied to the January-June 1972 trade data for the ten countries reviewed above, with the current dollar value being about 13% higher than the dollar value at 1970 exchange rates. It does not tell the whole story, however, because the new terms of trade have generated some non-quantifiable adjustments in commodities and countries in China's trade. In addition, this sample only represents one-half of China's total trade and the effect of the revaluation on the estimates of the other countries will be less, especially for those in Africa and Latin America.

14. One significant hallmark on the Chinese trading scene during 1972 has been the initiation of direct trade between the PRC and the United States for the first time in over 20 years. Some 35 Americans were in their first attendance at China's semi-annual trade fair at Canton during April-May 1972. They purchased about \$5 million worth of Chinese products for delivery this year. About twice this many Americans were invited for the fall fair during October-November, but results of these contacts are not yet known. A few significant US

Table 1

China: Net Effect of the Currency Realignment on the Dollar Estimates of 1970 Trade

	Percent Revaluation of Local Currency Against the Dollar	Million US\$					
		Calculated at 1970 Exchange Rates			Calculated at December 1971 Exchange Rate		
		Total Trade	Exports	Imports	Total Trade	Exports	Imports
Africa.....	5.6 ^a	195	125	70	205	131	74
Australia.....	8.6	175	40	135	190	43	147
Canada.....	8.0	176	22	154	190	24	166
Egypt.....		34	13	21	34	13	21
France.....	8.6	154	57	97	167	62	105
Hong Kong.....	8.6	359	354	5	390	384	5
Italy.....	7.5	132	56	76	142	60	82
Japan.....	16.9	855	255	600	999	298	701
Latin America.....	^b	15	10	5	15	10	5
Malaysia and Singapore.....	8.6	190	140	50	206	152	54
Netherlands.....	11.6	58	25	33	65	28	37
Pakistan.....		61	30	31	61	30	31
Sri Lanka (Ceylon).....	3.0	86	46	40	89	47	41
Sweden.....	7.5	33	16	17	35	17	18
Switzerland.....	13.9	41	18	23	47	21	26
United Kingdom.....	8.6	212	69	143	230	75	155
West Germany.....	13.6	270	70	200	307	80	227
Other non-Communist countries.....	8.0 ^c	349	224	125	377	242	135
USSR.....	9.5	45	20	25	49	22	27
Other Communist countries.....	9.0 ^d	780	455	325	850	496	354
Total ^e.....		4,220	2,045	2,175	4,650	2,235	2,410

^a Only approximate. The currencies of some countries remained at par with the US dollar, and most of the others changed at the same rate as the British pound.

^b Most countries kept their rates at par with the US dollar.

^c Most countries changed at a rate identical with the British pound. Some remained at par with the dollar. A few changed their rates by greater amounts than the pound.

^d Some countries kept their rate at par with the ruble, while others kept their rates in line with the British pound.

^e Rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

sales have been concluded with the PRC during 1972, which are contributing to the expansion of Sino-US trade relations. Among these are the recent sales, via a third country intermediary, of about 400,000 metric tons of wheat and 300,000 tons of corn, valued at roughly \$45 million. Another is the Boeing Company sale of ten 707 jets for \$125 million; these, however, are not scheduled for delivery until 1973-74. If all of the grain is shipped during 1972, total two-way trade between China and the United States this year could reach \$70 million to \$80 million.

APPENDIX A

Statistical Tables

Table 2

China: Balance of Trade ^a

Year	Total Trade				Communist Countries				Non-Communist Countries				Million US\$
	Exports		Imports		Exports		Imports		Exports		Imports		
	Total	Balance	Total	Balance	Total	Balance	Total	Balance	Total	Balance	Total	Balance	
1950	1,210	30	590		350	210	140	70	860	410	450	-40	
1951	1,900	-340	1,120		975	465	515	-50	920	315	605	-290	
1952	1,890	-140	1,015		1,315	605	710	-105	575	270	305	-35	
1953	2,295	-215	1,255		1,555	670	885	-215	740	370	370	0	
1954	2,350	-230	1,290		1,735	765	970	-205	615	295	320	-25	
1955	3,035	-285	1,660		2,250	950	1,300	-350	785	425	360	65	
1956	3,120	150	1,485		2,055	1,045	1,010	35	1,065	590	475	115	
1957	3,055	175	1,440		1,965	1,085	880	205	1,090	530	560	-30	
1958	3,765	115	1,825		2,380	1,280	1,100	180	1,385	660	725	-65	
1959	4,290	170	2,060		2,980	1,615	1,365	250	1,310	615	695	-80	
1960	3,990	-70	2,030		2,620	1,335	1,285	50	1,370	625	745	-120	
1961	3,020	35	1,495		1,685	965	715	250	1,335	560	775	-215	
1962	2,675	375	1,150		1,410	915	490	425	1,265	605	660	-55	
1963	2,770	370	1,200		1,250	820	430	390	1,525	755	770	-15	
1964	3,220	280	1,470		1,100	710	390	320	2,120	1,080	1,080	-40	
1965	3,880	190	1,845		1,165	650	515	135	2,715	1,385	1,330	55	
1966	4,245	175	2,035		1,090	585	505	80	3,155	1,625	1,530	95	
1967	3,895	-5	1,950		830	485	345	140	3,065	1,460	1,605	-145	
1968	3,765	125	1,820		840	500	340	160	2,925	1,445	1,480	-35	
1969	3,860	200	1,830		785	490	295	195	3,075	1,540	1,535	5	
1970	4,220	-130	2,175		825	475	350	125	3,395	1,570	1,825	-255	
1971	4,660	150	2,255		1,015	580	435	145	3,645	1,825	1,820	5	

^a Rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

Table 3

China: Trade, by Area and Country *

Million US\$

Area and Country	1966				1967				1968				1969				1970				1971				
	Turn-over	Ex-ports	Im-ports	Balance	Turn-over	Ex-ports	Im-ports	Balance	Turn-over	Ex-ports	Im-ports	Balance	Turn-over	Ex-ports	Im-ports	Balance	Turn-over	Ex-ports	Im-ports	Balance	Turn-over	Ex-ports	Im-ports	Balance	
Total all countries	4,245	2,210	2,035	175	3,895	1,945	1,950	-5	3,765	1,945	1,820	125	3,860	2,030	1,830	200	4,220	2,045	2,175	-130	4,660	2,405	2,255	150	
Non-Communist countries	3,155	1,625	1,530	95	3,065	1,460	1,605	-145	2,925	1,445	1,480	-35	3,075	1,540	1,535	5	3,385	1,570	1,825	-255	3,645	1,825	1,830	5	
Developed countries.....	1,855	715	1,140	-425	1,980	635	1,345	-710	1,870	620	1,250	-630	1,930	685	1,245	-560	2,230	675	1,555	-880	2,240	810	1,430	-620	
East Asia and the Pacific.....	765	330	435	-105	820	300	520	-220	725	260	465	-205	830	280	550	-270	1,040	300	740	-440	1,005	365	640	-275	
Of which:																									
Australia.....	121	25	96	-71	232	29	203	-174	147	32	115	-83	165	37	128	-91	175	40	135	-95	71	42	29	13	
Japan.....	631	300	311	-31	569	266	303	-37	567	222	345	-123	654	239	415	-178	855	255	600	-345	929	322	607	-285	
Western Europe.....	875	365	510	-145	1,030	310	720	-410	960	335	625	-290	945	380	565	-185	1,015	355	660	-305	985	410	575	-165	
Of which:																									
France.....	159	48	111	-63	142	40	102	-62	170	51	119	-68	110	65	45	20	154	57	97	-40	192	67	125	-58	
Italy.....	113	52	61	-9	138	49	89	-40	126	43	83	-40	128	57	71	-14	132	56	76	-20	127	56	71	-15	
Netherlands.....	44	28	16	12	39	23	16	7	57	24	33	-9	64	24	40	-16	58	25	33	-8	60	35	25	10	
Sweden.....	36	14	22	-8	63	14	49	-35	50	16	34	-18	34	16	18	-2	33	16	17	-1	56	16	40	-24	
Switzerland.....	40	16	24	-8	40	15	25	-10	38	15	23	-8	36	19	17	2	41	18	23	-5	42	23	19	4	
United Kingdom.....	178	82	96	-14	203	68	135	-67	141	71	70	1	211	79	132	-53	212	69	143	-74	161	69	92	-23	
West Germany.....	217	82	135	-53	296	65	231	-166	272	76	196	-120	280	78	202	-124	270	70	200	-130	240	89	160	-71	
North America.....	215	20	195	-175	130	25	105	-80	185	25	160	-135	155	25	130	-105	175	20	155	-135	245	35	215	-180	
Canada.....	215	20	195	-175	130	25	105	-80	185	25	160	-135	156	27	129	-102	176	22	154	-132	241	28	213	-185	
United States.....	Negl	Negl	Negl	0	Negl	Negl	Negl	0	Negl	Negl	Negl	0	Negl	Negl	Negl	0	Negl	Negl	Negl	0	5	5	Negl	5	
Less developed countries.....	895	510	385	125	775	515	260	255	730	500	230	270	805	515	290	225	790	525	265	260	955	570	385	185	
Southeast Asia.....	290	210	80	180	315	240	75	165	300	230	70	160	335	225	110	115	270	210	60	150	275	230	45	185	
Of which:																									
Indonesia ^b	60	50	10	40	60	50	10	40	40	35	5	30	45	40	5	35	35	30	5	25	25	20	5	15	
Malaysia and Singapore ^b	145	100	45	55	185	125	50	85	220	165	55	110	260	155	105	50	190	140	50	90	185	150	35	115	
Middle East and South Asia.....	350	200	150	50	285	165	120	45	270	100	70	100	270	185	110	75	310	180	130	50	300	155	145	10	
Of which:																									
Egypt.....	76	39	37	2	47	23	24	-1	37	17	20	-3	29	11	18	-7	34	13	21	-8	46	15	31	-16	
Pakistan.....	65	27	38	-11	67	31	36	-5	53	28	25	3	53	26	27	-1	61	30	31	-1	68	31	37	-6	
Sri Lanka (Ceylon).....	80	45	35	10	72	35	37	-2	72	38	34	4	86	45	41	4	88	46	40	6	88	26	32	-6	
Latin America.....	110	5	105	-100	15	5	10	-5	10	10	0	10	10	10	0	10	Negl	10	15	10	5	5	10	55	-45
Africa.....	145	95	50	45	160	105	55	50	150	90	60	30	165	95	70	25	195	125	70	55	315	175	140	35	
Hong Kong and Macao.....	405	400	5	395	310	310	Negl	310	325	325	Negl	325	340	340	Negl	340	375	370	5	365	450	445	5	440	
Of which:																									
Hong Kong ^c	380	377	3	374	292	291	1	290	311	310	1	309	327	326	1	325	359	354	5	349	431	428	3	425	
Communist countries	1,090	585	505	80	830	485	345	140	840	500	340	160	785	490	295	195	825	475	350	125	1,015	580	435	145	
USSR ^b	320	145	175	-30	105	55	50	5	95	35	60	-25	55	30	25	5	45	20	25	-5	155	75	80	-5	
Far East ^d	230	150	80	70	240	180	60	120	240	180	60	120	290	145	55	90	190	125	65	60	225	150	75	75	
Eastern Europe.....	270	130	140	-10	245	110	135	-25	275	140	135	5	285	145	120	25	320	160	160	0	375	190	185	5	
Of which:																									
Czechoslovakia.....	46	24	22	2	33	14	19	-5	46	25	21	4	59	33	26	7	56	25	31	-6	53	24	29	-5	
East Germany.....	68	32	36	-4	69	35	34	1	65	28	37	-9	63	33	30	3	78	36	42	-6	88	44	44	0	
Poland.....	53	23	30	-7	48	19	29	-10	56	31	25	6	41	23	18	5	50	24	26	-2	58	21	37	-16	
Romania.....	66	32	34	-2	72	33	39	-6	84	43	41	2	81	42	39	3	108	58	50	8	145	85	60	25	
Other ^e	270	160	110	50	240	140	100	40	230	145	85	60	265	170	95	75	270	170	100	70	260	165	95	70	

^a Data for individual countries, except where noted, have been rounded to the nearest \$1 million. All other data have been rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

^b Rounded to the nearest \$5 million.

^c Official statistics from Indonesia are believed to include re-exports of Chinese goods from Hong Kong and Singapore, as there have been no known direct imports of Chinese goods since 1960.

^d Almost all of China's exports to Malaysia probably are re-exported through Singapore and thus are double counted in the

official statistics. To eliminate this double counting, estimates of China's exports to Malaysia and Singapore include only those imports reported by Singapore. The few exports that go directly to Malaysia are probably roughly compensated for in total trade to the area by re-exports through Singapore to Indonesia which have been reported as imports from China by both countries.

^e Net of entrepot trade with third countries.

^f Including North Korea, North Vietnam, and Mongolia.

^g Including Yugoslavia, Cuba, and Albania.

Table 4

China: Trade, by Area

Area	Percent					
	1966	1967	1968	1969	1970	1971
Total ^a	100	100	100	100	100	100
Non-Communist countries.	74	79	78	80	80	78
Developed countries.	44	51	50	50	53	48
East Asia and the Pacific.	18	21	19	22	25	22
Western Europe.	21	26	25	24	24	21
North America.	5	3	5	4	4	5
Less developed countries.	21	20	19	21	19	20
Southeast Asia.	7	8	8	9	6	6
Middle East and South Asia.	8	7	7	8	7	6
Latin America.	3	<i>Negl</i>	<i>Negl</i>	<i>Negl</i>	<i>Negl</i>	1
Africa.	3	4	4	4	5	7
Hong Kong and Macao.	10	8	9	9	9	10
Communist countries.	26	21	22	20	20	22
USSR.	8	3	3	1	1	3
Far East.	5	6	6	5	5	5
Eastern Europe.	6	6	7	7	8	8
Other.	6	6	6	7	6	6

^a Because of rounding, components may not add to the totals shown.

Table 5

China: Major Trading Partners, by Rank

	1971		1970		1969		1968		1967		1966	
	Rank	Million US\$	Rank	Million US\$	Rank	Million US\$	Rank	Million US\$	Rank	Million US\$	Rank	Million US\$
Japan.....	1	929	1	855	1	654	1	567	1	569	1	631
Hong Kong.....	2	431	2	359	2	327	2	311	3	292	2	380
West Germany.....	3	249	3	270	3	280	3	272	2	296	4	217
Canada.....	4	241	6	176	7	156	5	185	9	130	5	215
France.....	5	192	8	154	9	110	6	170	7	142	7	159
Malaysia and Singapore.....	6	185	5	190	4	260	4	220	6	185	8	145
United Kingdom.....	7	161	4	212	5	211	8	141	5	203	6	178
USSR.....	8	155	22	45	19	55	10	95	10	105	3	320
Romania.....	9	145	10	108	14	81	15	84	14	72	19	66
Italy.....	10	127	9	132	8	128	9	126	8	138	10	113

Table 6

China: Commodity Composition of Trade

	Percent					
	1966	1967	1968	1969	1970	1971
Exports^a	100	100	100	100	100	100
Foodstuffs.....	28	26	28	30	32	34
Crude materials, fuels, and edible oils....	22	23	21	22	21	20
Chemicals.....	4	4	4	4	5	5
Manufactures.....	42	44	44	40	42	40
Other.....	5	3	3	3	<i>Negl</i>	1
Imports^a	100	100	100	100	100	100
Foodstuffs.....	25	19	23	19	16	13
Crude materials, fuels, and edible oils....	17	16	16	17	17	16
Chemicals.....	12	15	17	17	15	13
Manufactures.....	45	48	43	46	51	57
Other.....	1	1	1	1	<i>Negl</i>	1

^a Because of rounding, components may not add to the totals shown.

Table 7
China: Commodity Composition of Exports *

	1966			1967			1968			1969			1970			1971		
	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist
Total	2,210	585	1,625	1,945	485	1,460	1,945	500	1,445	2,030	490	1,540	2,045	475	1,570	2,405	530	1,875
Foodstuffs.....	615	130	485	510	75	435	535	85	450	615	80	535	645	90	555	790	140	650
Of which:																		
Animals, meat, and fish.....	230	70	160	170	20	150	175	25	150	210	25	185	215	20	195	280	35	245
Grains.....	150	30	120	140	25	115	130	30	100	115	30	85	110	30	80	120	30	90
Fruits and vegetables.....	120	25	95	125	20	105	140	25	115	175	20	155	170	25	145	190	30	160
Crude materials, fuels, and edible oils.....	480	75	405	440	60	380	415	65	350	450	65	385	430	60	370	490	90	400
Of which:																		
Oilseeds.....	90	0	90	90	0	90	85	0	85	75	0	75	65	0	65	15	0	15
Textile fibers.....	105	15	90	100	10	90	90	10	80	120	10	110	100	10	90	130	10	120
Crude animal materials.....	90	30	60	75	25	50	100	35	65	130	35	95	115	35	80	115	25	90
Chemicals.....	90	25	65	85	25	60	85	25	60	90	25	65	105	25	80	130	30	100
Manufactures.....	920	355	565	850	325	525	850	325	525	820	320	500	855	300	555	965	320	645
Of which:																		
Textile yarn and fabric.....	305	80	225	250	65	185	270	70	200	310	75	235	340	80	260	325	80	245
Clothing.....	185	140	45	170	120	50	180	110	70	195	105	90	185	85	70	155	95	60
Iron and steel.....	90	30	60	70	30	40	25	25	0	35	25	10	40	25	15	60	25	35
Nonferrous metals.....	40	10	30	35	10	25	25	10	15	35	10	25	25	10	15	45	10	35
Other.....	105	0	105	60	0	60	60	0	60	55	0	55	10	0	10	30	0	30

* Data have been rounded to the nearest \$5 million. Estimates are based on data reported by trading partners. Where data are incomplete, as for most less developed countries and for many of the Communist countries, estimates are based on fragmentary information from trade agreements and press reports and on commodity breakdowns available for earlier years.

Table 8

China: Commodity Composition of Imports ^a

	1966			1967			1968			1969			1970			1971		
	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist	Total	Communist	Non-Communist
Total	2,035	505	1,530	1,950	345	1,605	1,820	340	1,480	1,830	295	1,535	2,175	350	1,825	2,255	435	1,820
Foodstuffs.....	510	80	430	380	75	305	410	75	335	350	70	280	355	70	285	300	70	230
Of which:																		
Grains.....	400	0	400	295	0	295	305	0	305	280	0	280	280	0	280	210	0	210
Crude materials, fuels, and edible oils.....	340	100	240	320	65	255	300	65	235	310	55	255	360	80	280	355	65	290
Of which:																		
Rubber.....	85	0	85	75	0	75	85	0	85	145	0	145	80	0	80	75	0	75
Textile fibers.....	150	0	150	150	0	150	100	0	100	90	0	90	110	0	110	115	0	115
Chemicals.....	250	25	225	285	5	280	315	5	310	310	5	305	330	10	320	295	15	280
Of which:																		
Fertilizer.....	155	0	155	200	0	200	200	0	200	205	0	205	230	0	230	200	0	200
Manufactures.....	910	275	635	945	185	760	775	185	590	850	165	685	1,120	190	930	1,275	275	1,000
Of which:																		
Textile yarn and fabrics.....	35	0	35	45	0	45	40	0	40	30	0	30	45	0	45	25	0	25
Iron and steel.....	225	25	200	320	25	295	265	25	240	275	20	255	405	35	370	475	45	430
Nonferrous metals.....	55	5	50	85	10	75	125	10	115	225	5	220	210	10	200	145	10	135
Machinery and equipment.....	455	205	250	380	135	245	275	140	135	240	130	110	395	140	255	495	210	285
Other.....	25	25	0	20	15	5	20	10	10	10	5	5	10	0	10	30	10	20

^a Data have been rounded to the nearest \$5 million. Estimates are based on data reported by trading partners. Where data are incomplete, as for most less developed countries and for many of the Communist countries, estimates are based on fragmentary information from trade agreements and press reports and on commodity breakdowns available for earlier years.

Table 9

China: Commodity Composition of Trade with Non-Communist Countries ^a
1971

Million US\$

Commodity Category	Total Non-Communist Countries	Developed Countries ^b										Less Developed Countries ^c
		Western Europe								Australia	Hong Kong and Macao ^e	
		Total ^d	West Germany	United Kingdom	France	Italy	Canada					
Total ^e	Japan	Total ^d	West Germany	United Kingdom	France	Italy	Canada	Australia	Hong Kong and Macao ^e	Less Developed Countries ^c		
Exports	1,825	810	322	410	89	69	67	56	28	42	445	570
Foodstuffs	650	195	89	97	20	15	20	15	5	2	275	180
Of which:												
Animals, meat, and fish	245	75	37	37	1	8	15	7	Negl	1	161	10
Grains	90	10	9	2	Negl	1	Negl	0	Negl	Negl	23	55
Fruits and vegetables	160	75	35	40	11	3	2	7	4	1	36	50
Crude materials, fuels, and edible oils	400	325	158	161	49	22	18	28	1	4	25	50
Of which:												
Oilseeds	15	5	1	5	0	2	2	0	Negl	Negl	3	5
Textile fibers	120	120	62	55	15	5	8	17	0	1	1	0
Crude animal materials	90	70	9	60	21	12	5	9	1	2	9	10
Chemicals	100	60	26	30	6	7	4	5	Negl	3	15	25
Manufactures	645	225	49	119	14	24	25	6	21	31	130	290
Of which:												
Textile yarn and fabric	245	85	19	42	3	9	6	2	6	20	38	120
Clothing	60	35	13	8	2	1	1	1	11	5	17	10
Iron and steel	35	5	0	4	0	Negl	Negl	0	0	Negl	8	20
Nonferrous metals	35	15	1	16	4	1	7	0	Negl	Negl	9	10
Other ^f	30	5	Negl	3	Negl	1	Negl	2	1	2	0	25

Table 9 (Continued)

China: Commodity Composition of Trade with Non-Communist Countries ^a
1971

Million US\$

Commodity Category	Total Non-Communist Countries	Developed Countries ^b										Less Developed Countries ^f
		Western Europe										
		Total ^c	Japan	Total ^d	West Germany	United Kingdom	France	Italy	Canada	Australia	Hong Kong and Macao ^e	
Imports.....	1,820	1,430	607	575	160	92	125	71	213	29	5	385
Foodstuffs.....	230	205	Negl	1	0	1	Negl	0	199	2	0	25
Of which:												
Grains.....	210	200	Negl	0	0	0	Negl	0	199	2	0	10
Crude materials, fuels, and edible oils.....	290	85	17	48	1	13	Negl	9	9	10	3	200
Of which:												
Rubber.....	75	5	7	Negl	0	Negl	Negl	0	Negl	0	0	70
Textile fibers.....	115	35	8	19	1	10	Negl	0	Negl	6	0	80
Chemicals.....	280	270	173	98	32	5	7	26	Negl	1	0	10
Of which:												
Fertilizer.....	200	190 ^h	110 ^h	1	1	1	1	1	Negl	0	0	1
Manufactures.....	1,000	865	417	424	127	73	118	35	5	16	2	135
Of which:												
Textile yarn and fabric.....	25	25	14	9	3	1	4	Negl	1	Negl	0	0
Iron and steel.....	430	430	282	137	72	10	11	17	Negl	12	0	0
Nonferrous metals.....	135	50	11	30	5	16	1	1	3	4	0	85
Machinery and equipment.....	285	285	94	192	33	23	92	17	Negl	Negl	0	0
Other ^g	20	5	Negl	4	0	Negl	Negl	1	Negl	Negl	0	15

^a Figures rounded to the nearest \$5 million for total developed countries, total Western Europe, and less developed countries, and to the nearest \$1 million for individual countries. Because of rounding, components may not add to the totals shown. Figures are adjusted to reflect Chinese imports c.i.f. and Chinese exports f.o.b.

^b Adjusted official figures except for total Western Europe and Australia.

^c Total of Japan, Western Europe, Canada, Australia, and New Zealand.

^d Sum of adjusted official figures for Austria, Belgium-Luxembourg, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and West Germany.

^e Exports are official data for Hong Kong plus estimates for Macao. Imports are estimates.

^f Estimates based on very limited information. Complete commodity breakdowns are available for only a small number of countries, and partial breakdowns are available for a few others.

^g Including unreported trade.

^h Freight adjustment was made independently, based on information on actual shipping costs.

ⁱ Complete information on fertilizer imports, by country, is not available.

^j Data for nonferrous metals include official country data plus an estimate of nonferrous imports, especially copper, that are sold to China through the London Metals Exchange but have not been reported by the exporting country as sales to China.

Table 10

China: Commodity Composition of Trade with Non-Communist Countries ^a
1970

Million US\$

Commodity Category	Total Non-Communist Countries	Developed Countries ^b										Less Developed Countries ^f
		Total ^c	Japan	Western Europe						Australia	Hong Kong and Macao ^e	
				West Germany	United Kingdom	France	Italy	Canada				
Exports.....	1,570	675	255	355	70	69	57	56	22	40	370	525
Foodstuffs.....	555	140	67	65	16	14	15	3	4	2	220	195
Of which:												
Animals, meat, and fish.....	195	55	33	25	1	6	12	1	Negl	1	125	15
Grains.....	80	5	3	5	Negl	2	Negl	0	0	0	23	50
Fruits and vegetables.....	145	50	26	20	6	3	1	2	4	1	37	60
Crude materials, fuels, and edible oils.....	370	285	123	155	39	23	18	36	1	4	25	60
Of which:												
Oilseeds.....	65	50	42	10	1	Negl	1	2	0	Negl	3	10
Textile fibers.....	90	90	36	55	4	8	9	28	0	1	2	0
Crude animal materials.....	80	60	6	50	22	8	5	2	Negl	2	8	10
Chemicals.....	80	55	23	30	5	9	6	4	1	2	10	15
Manufactures.....	555	195	42	105	10	23	18	13	16	32	115	245
Of which:												
Textile yarn and fabric.....	260	80	16	40	3	7	4	9	2	22	35	145
Clothing.....	70	30	10	10	1	1	Negl	1	8	6	15	25
Iron and steel.....	15	Negl	Negl	Negl	0	0	Negl	0	0	0	6	10
Nonferrous metals.....	15	15	Negl	15	2	0	6	0	0	Negl	0	Negl
Other ^g	10	Negl	Negl	Negl	Negl	Negl	Negl	Negl	0	0	0	10

Table 10 (Continued)

China: Commodity Composition of Trade with Non-Communist Countries ^a
1970

Million US\$

Commodity Category	Total Non-Communist Countries	Developed Countries ^b									
		Western Europe					Less Developed Countries ^c				
		Total ^c	Japan	Total ^d	West Germany	United Kingdom	France	Italy	Canada	Australia	Hong Kong and Macao ^e
Imports	1,825	1,555	600	660	200	143	97	76	154	135	5
Foodstuffs	285	280	0	20	0	Negl	20	0	132	129	0
Of which:											
Grains	280	280	0	20	0	0	20	0	132	129	0
Crude materials, fuels, and edible oils	280	50	15	25	5	6	1	Negl	3	1	0
Of which:											
Rubber	80	Negl	0	Negl	0	Negl	0	0	0	0	0
Textile fibers	110	20	7	10	4	5	Negl	Negl	0	1	0
Chemicals	320	315	147	165	48	12	8	41	0	Negl	Negl
Of which:											
Fertilizer	230	230	97 ^h	130 ^h	1	1	1	1	0	0	0
Manufactures	930	900	437	440	147	125	67	35	19	4	5
Of which:											
Textile yarn and fabric	45	40	15	25	7	1	2	13	0	0	1
Iron and steel	370	370	249	120	77	10	5	3	Negl	Negl	Negl
Nonferrous metals	200	190	28	140	29	70	4	0	19	3	Negl
Machinery and equipment	255	255	120	135	23	13	54	18	Negl	0	2
Other ^g	10	10	Negl	10	Negl	Negl	1	0	0	Negl	0

^a Figures rounded to the nearest \$5 million for total developed countries, total Western Europe, and less developed countries, and to the nearest \$1 million for individual countries. Because of rounding, components may not add to the totals shown. Figures are adjusted to reflect Chinese imports c.i.f. and Chinese exports f.o.b.

^b Adjusted official figures except for total Western Europe and Australia.

^c Total of Japan, Western Europe, Canada, Australia, and New Zealand.

^d Sum of adjusted official figures for Austria, Belgium-Luxembourg, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and West Germany.

^e Exports are official data for Hong Kong plus estimates for Macao. Imports are estimates.

^f Estimates based on very limited information. Complete commodity breakdowns are available for only a small number of countries, and partial breakdowns are available for a few others.

^g Including unreported trade.

^h Freight adjustment was made independently, based on information on actual shipping costs.

ⁱ Complete information on fertilizer imports, by country, is not available.

^j Data for nonferrous metals include official country data plus an estimate of nonferrous imports, especially copper, that are sold to China through the London Metals Exchange but have not been reported by the exporting country as sales to China.

Table 11

China: Imports of Machinery, Equipment, and Scientific Instruments from the USSR and Non-Communist Countries ^a

Commodity	1966		1967		1968		1969		1970		1971	
	Non-Communist	USSR	Non-Communist	USSR	Non-Communist	USSR	Non-Communist	USSR	Non-Communist	USSR	Non-Communist	USSR
Total	262.5	86.2	222.1	24.6	121.1	14.9	110.2	21.6	260.2	16.4	235	54.6
Nonelectric machinery.....	149.4	34.2	130.4	6.6	69.7	4.3	67.0	9.1	122.9	4.9	N.A.	9.8
Internal combustion engines.....	14.4	0	5.2	0	3.0	0	4.2	0	4.9	0	N.A.	0
Agricultural machinery.....	2.4	14.6	0.3	2.5	0.1	2.9	1.4	3.7	2.5	2.2	N.A.	3.6
Machine tools.....	30.6	7.7	35.2	0.8	28.2	0.2	22.9	1.1	45.9	1.4	N.A.	3.8
Other metalworking machinery.....	1.2	0	16.6	0	2.0	0	0.6	0	0.6	0	N.A.	0
Textile machinery.....	12.5	0	4.6	0	2.1	0	1.9	0	0.6	0	N.A.	0
Construction and mining machinery.....	12.7	9.6	7.0	0.8	1.1	0.4	2.7	0.3	13.0	0.2	N.A.	0.1
Pumps, centrifuges, and filtering equipment.....	10.6	0.6	8.1	0	5.1	0.2	8.0	0.8	16.3	0.1	N.A.	0
Handling equipment.....	3.1	1.0	8.5	0.5	2.5	0	1.5	3.0	4.4	1.0	N.A.	0.4
Ball, needle, and roller bearings.....	2.0	0.4	8.5	0.3	10.2	0.3	11.2	0.2	17.1	0	N.A.	1.9
Other nonelectric machinery.....	59.9	0.3	36.4	1.7	15.3	0.3	12.6	0	17.6	0	N.A.	0
Electric machinery and equipment.....	36.9	3.1	28.4	0.9	15.6	0.4	12.1	0.6	15.6	2.0	N.A.	1.6
Communications equipment.....	6.0	0	3.5	0	1.0	0	1.5	0	1.6	0	N.A.	0
Control equipment.....	14.3	0.3	9.1	0.1	5.1	0	4.3	0	4.5	0	N.A.	0
Other electric machinery and equipment.....	16.6	2.8	15.8	0.8	9.5	0.4	6.3	0.6	9.5	2.0	N.A.	1.6
Transport equipment.....	51.3	41.5	43.0	14.5	20.7	7.9	19.5	15.9	110.5	8.6	N.A.	41.4
Railway vehicles.....	3.5	0	1.0	0	2.0	0	4.9	0	9.6	0	N.A.	0
Trucks.....	25.1	15.8	16.3	1.9	7.4	1.0	6.6	4.0	46.7	0.4	N.A.	3.1
Other motor vehicles and parts.....	6.5	11.3	4.3	1.9	5.0	4.8	6.5	6.7	19.3	3.4	N.A.	3.6
Aircraft and parts.....	0	14.4	0	10.7	3.2	2.1	0.4	5.2	18.6	4.8	N.A.	33.8
Ships.....	15.4	0	20.7	0	2.9	0	0.9	0	14.7	0	N.A.	0
Other transport equipment.....	0.8	0	0.7	0	0.2	0	0.2	0	1.6	0	N.A.	0.9
Instruments.....	24.9	4.7	20.3	1.4	15.1	1.6	11.6	0.4	11.2	0.3	N.A.	0.5
Other.....	0	2.7	0	1.2	0	0.7	0	6.3	0	0.6	N.A.	1.3

^a Data given are f.o.b. the exporting nation and thus differ from those in the other tables, which are given c.i.f. China.

Table 12

China: Imports of Grains and Chemical Fertilizer

Year	Grain		Chemical Fertilizer	
	Million Metric Tons	Million US\$	Million Metric Tons ^a	Million US\$
1966	5.6	400	2.5	155
1967	4.1	295	4.3	200
1968	4.4	305	4.0	200
1969	3.9	260	4.1	205
1970	4.6	280	4.3	230
1971	3.0	210	4.2	200

^a In product weight.

APPENDIX B

China: Foreign Trade Corporations and Their Areas of Responsibility

Name	Mailing Address	Cable Address	Area of Responsibility
China National Chemicals Import and Export Corp.	Erh Li Kou, Hsi Chiao, Peking.....	"SINOCHEM" Peking	Chemicals, rubber, petroleum, fertilizers, and pharmaceuticals.
China National Native Produce and Animal Byproducts Import and Export Corp.	82, Tung An Men Street, Peking.....	"CHINATUHSU" Peking	Tea, coffee, tobacco, forest products, spices, furs, bristles, feathers, casings, hides, and leathers.
China National Light Industrial Products Import and Export Corp.	82, Tung An Men Street, Peking.....	"INDUSTRY" Peking	General merchandise, paper, toys, sporting goods, china, jewelry, and precious stones.
China National Textiles Import and Export Corp.	82, Tung An Men Street, Peking.....	"CHINATEX" Peking	Textile yarn, fabrics, man-made and natural fibers, clothing, and knitwear.
China National Cereals, Oils and Foodstuffs Import and Export Corp.	82, Tung An Men Street, Peking.....	"CEROILFOOD" Peking	Meat, grain, fruits, vegetables, fish, sugar, beverages, and animal feed.
China National Machinery Import and Export Corp.	Erh Li Kou, Hsi Chiao, Peking.....	"MACHIMPEX" Peking	Machinery, transport equipment, bearings, instruments, spare parts, and complete plants.
China National Metals and Minerals Import and Export Corp.	Erh Li Kou, Hsi Chiao, Peking.....	"MINMETALS" Peking	Ferrous and nonferrous metals, ores, minerals, coal, cement, and hardware.

APPENDIX C

Methodological Supplement: Merchandise Trade of China

Sources

Non-Communist Countries

The raw data used to estimate China's trade consist of official trade statistics published by China's trading partners. Most of these data are compiled by the US Department of Commerce in the Value Series and the Country-by-Commodity Series. *Directions of Trade*, a statistical publication of the International Monetary Fund, contains information on the trade of some of the less developed countries whose volume of trade with China is too small to be included in the Commerce Department statistics or whose data are published with an extensive timelag. For countries whose trade data are not available, fragmentary press reports and items in such publications as *China Trade Report* concerning trade agreements are used to estimate the volume of trade.

Communist Countries

Trade data for the USSR and the East European Communist countries are available in their official statistics. Press reports concerning trade and aid agreements and published statements of government officials provide fragmentary information on which to base estimates of trade with Cuba, Albania, North Korea, and North Vietnam.

Adjustments

Freight Charges and Leads and Lags

Since the trade data published by non-Communist trading partners normally show imports c.i.f. and exports f.o.b., freight (including insurance) charges must be subtracted from the import figures to obtain the value of China's exports on an f.o.b. basis, and at the same time freight charges must be added to the partner's export figures to obtain the c.i.f. cost of imports to China. In addition, the partner's import figures are recorded at the date of receipt of the goods, which lags behind the date of China's actual export of the goods. Similarly, the partner's exports are reported before receipt of goods by China, and an adjustment must be made for this lead. Consequently, the partner's export figures must be "lagged" and the import figures must be "led" forward in time to adjust these data to represent the proper timing of China's imports and exports. For example, Western Europe's December import data lag roughly two months behind the date the goods actually were exported from China—that is, Western Europe's December imports are actually China's October exports. At the same time, Western Europe's August exports are actually China's October imports.

The adjustments to the current export data of China's trading partners used to obtain the value of China's calendar year (N) imports follow.

Area	Length of Lead (Months)	Period of the Partner's Data Equivalent to China's Calendar Year (N)	Freight Adjustment (Percent)
Western Europe.....	2	Nov N-1 to Oct N	+ 15 ^a
Western Hemisphere.....	1	Dec N-1 to Nov N	+ 10 ^b
Africa.....	2	Nov N-1 to Oct N	+ 10
East Asia and the Pacific.....	1	Dec N-1 to Nov N	+ 5 ^b
except:			
Japan, Hong Kong, and Macao.	None	Jan N to Dec N	+ 5
Middle East and South Asia.....	1	Dec N-1 to Nov N	+ 5
except:			
Mediterranean countries.....	2 ^c	Dec N-1 to Nov N	+ 15
Communist countries ^d	None	Jan N to Dec N	None

^a The freight adjustment was 10% before 1967 and 13.5% in 1967 and 1968.

^b Separate adjustments have been made for grain imports from Australia, Canada, and Argentina that are based on actual freight charges in a given year.

^c Before the closing of the Suez Canal there was roughly a one-month lead between the time goods were reported as exports to China and the time at which China actually received the goods as imports. The closing of the Suez Canal in June 1967 caused an immediate two-week break in deliveries and a long-run change to roughly a two-month lead. Goods shipped in June and normally adjusted to be shown as China's imports in July were not received until August. Thus, China's imports in July were recorded as zero for the following countries: Jordan, Malta, Syria, Turkey, Egypt, and other Middle East countries on the Mediterranean side of the Suez Canal. As a result, China's calendar year imports in 1967 were equivalent to 11 months of exports from these countries.

^d Data for most of the Communist countries are not presented in their published statistics on a monthly basis. The official yearbooks provide only annual data. Consequently, no attempt has been made to adjust for leads or lags. In addition, most Communist countries show imports and exports f.o.b. border. Thus, the import figures shown by China's trading partners do not need to be adjusted to obtain the f.o.b. value of China's exports. Because of lack of relevant data, the Communist partner's export figures also are not adjusted even though the cost to China might include freight charges for the imports. In the past, the USSR accounted for the bulk of this trade and much of the volume was overland trade. Thus, China's imports, which were valued f.o.b. border, would involve additional freight charges as domestic costs in its own currency. Eastern Europe, however, now accounts for much of China's trade with the Communist countries, and a large portion of this trade travels by sea. Thus, China's imports probably should include some adjustment for freight charges.

Adjustments to import data of China's trading partners to show the value of China's calendar year (N) exports follow.

Area	Length of Lag (Months)	Period of the Partner's Data Equivalent to China's Calendar Year (N)	Freight Adjustment (Percent)
Western Europe.....	2	Mar N to Feb N + 1	-15 ^a
Western Hemisphere.....	1	Feb N to Jan N + 1	-10 ^b
Africa.....	2	Mar N to Feb N + 1	-10
East Asia and the Pacific.....	1	Feb N to Jan N + 1	-5 ^b
except:			
Japan, Hong Kong, and Macao.	None	Jan N to Dec N	-5
Middle East and South Asia.....	1	Feb N to Jan N + 1	-5
except:			
Mediterranean countries.....	2 ^c	Mar N to Feb N + 1	-15 ^a
Communist countries.....	None	Jan N to Dec N	None

^a Before 1967, freight adjustments were based on estimates of costs for individual commodities. In 1967-68 a flat rate of 13.5% was used which was based on average rates of about 10% before the Suez Canal was closed and on additional costs due to the Canal closure.

^b Canada, Australia, and the United States report imports f.o.b. country of export. Since freight charges are not included in the import data of these countries, no freight charge adjustment is necessary to determine the f.o.b. value of China's exports.

^c Before the closing of the Suez Canal, imports recorded by these countries lagged roughly one month behind the date of export from China. Thus, China's June exports would normally appear in the July import statistics of the trading partner. The closing of the Canal, however, caused a two-week break in deliveries and increased the timelag. Consequently, China's June exports actually were included in the July and August imports of the partners. (The July figures were sharply reduced below normal levels.) Subsequently, China's July exports are assumed to appear as September imports of its trading partners, and this two-month lag is expected to continue until the Canal reopens. China's 1967 calendar year exports were thus equivalent to the import statistics of its trading partners for 13 months. After that, the statistics for 12-month periods with a two-month lag corresponded to China's calendar year exports.

Other Adjustments

Two other major problems in deriving estimates of China's imports and exports are double counting and unrecorded trade. Hong Kong's re-exports of China-origin goods are subtracted from Hong Kong's imports from China and counted as imports from China by the final recipients. Hong Kong has published statistics on re-exports, by country, since 1967, and estimates for 1965-66 were based on the later data. For example, although Taiwan and Panama report no trade with the PRC, re-exports through Hong Kong amounted to \$2.4 million with each in 1971. These figures have been included as China's exports to the two countries in this handbook. Re-exports to Indonesia, however, are apparently included in the semi-official data reported by that country, so they were not added to the reported data. There also appears to be a significant amount of re-exports of Chinese goods through Singapore. Although the volume and destination of Singapore's re-exports of Chinese goods cannot be calculated with any degree of accuracy, it is believed that most of the re-exports go to Malaysia. Therefore, all of Singapore's imports from China are recorded as Chinese exports to Singapore and Malaysia, and official data for Malaysian imports from China are not counted.

APPENDIX D

Selected Readings

Books

US Joint Economic Committee. *People's Republic of China: An Economic Assessment*, Washington: US Government Printing Office, 18 May 1972.

Alexander Eckstein. *China Trade Prospects and United States Policy*, New York: Praeger, 1971.

Alexander Eckstein. *Communist China's Economic Growth and Foreign Trade*, New York: McGraw-Hill, 1966.

Feng-hwa Mah. *The Foreign Trade of Mainland China*, Chicago and New York: Aldine-Atherton, 1971.

Chun-hsi Wu. *Dollars, Dependents and Dogma* (Overseas Chinese Remittances to Communist China), Stanford: Hoover Institution, Stanford University, 1967.

Japan External Trade Organization (JETRO). *How to Approach the China Market*, Tokyo: Press International, Ltd., 1972.

Periodicals

Audrey Donnithorne. "China as a Trading Nation," *Current Scene*, vol. X, no. 2, 7 February 1972.

Dwight H. Perkins. "Is There a China Market?" *Foreign Policy*, no. 5, winter 1971-72.

Dwight H. Perkins. "The Chinese Economy and Its International Impact," *SAIS Review* (special issue), winter 1968.

J.D. Laughton. "Chinese Market Merits a Fresh Look," *British Board of Trade Journal*, vol. 199, 14 October 1970.

Harold C. Champeau. "US-China Farm Trade: Past and Prologue," *Foreign Agriculture*, vol. X, no. 31, 31 July 1972, and vol. X, no. 32, 7 August 1972.

Marion R. Larsen. "Home Needs Influence Mainland China's Pattern of Foreign Agricultural Trade," *Foreign Agriculture*, vol. IX, no. 41, 11 October 1971.

Federal Reserve Bank of San Francisco. "The New China Trade," *Monthly Review*, vol. 80, January 1972.

US Department of Commerce. "Mainland China Trade Pattern in 60s Points to Sales Possibilities," *Commerce Today*, vol. I, no. 15, 3 May 1971.

US Department of Commerce. "Procedures In Trade with Mainland Chinese Detailed," *Commerce Today*, vol. I, no. 18, 14 June 1971.